



*Mindark PE AB (publ) develop, operate and market the Entropia Universe, a three-dimensional Internet-based virtual universe, globally available and free of charge for everyone with access to an Internet connection.*

## Interim Financial Statements for the Third Quarter and January – September 2008

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### **Operations during the third quarter of 2008**

Business activities continue to focus on preparing the Entropia Universe as a technical platform for a three-dimensional internet.

Considerable resources have been invested in Mindark's new webpage, [www.entropiauniverse.com](http://www.entropiauniverse.com). The webpage will become operative during the next quarter.

As previously reported, the implementation of Entropia Universe's new graphical engine CryENGINE®2 continues according to plan.



*CryENGINE®2 will comprehensively increase the visual experience of Entropia Universe*



## **Two new subsidiaries incorporated**

The transformation of Mindark's business to becoming a dedicated three-dimensional Internet platform supplier implies a substantial restructuring of the Mindark Group. The aim is among others to disconnect the operation of Mindark's own virtual planet Calypso and transfer it to a new company.

For this purpose Mindark has incorporated First Planet Company AB, a fully owned subsidiary. The board has the same members as the parent company. The Board has designated Marco Behrmann as CEO.

Mindark's plan is to transfer all assets and rights connected to the planet Calypso to First Planet Company in the fall of 2008. In affiliation to their acquisition First Planet Company will sign a partnership agreement with Mindark equaling them with Mindark's other planet partners.

Mindark has also incorporated EU Support & Operations AB, also a fully owned subsidiary with the same board members as the parent company. The Board has designated Cornelia Sundström as CEO.

The business concept of EU Support & Operations is to offer computer server co-location and customer support services to Mindark's planet partners.

EU Support & Operations AB will acquire computer servers and functionality for customer support from Mindark.

## **Adjusted accounting principles**

The disconnection of planet Calypso from Mindark will furthermore enlighten Mindark's new role as a three-dimensional internet provider.

Entropia Universe and the planet Calypso have been developed for several years. Previously Mindark has not distinguished between platform development and content implementation on planet Calypso. When the value of Calypso is disconnected from Mindark and highlighted in the balance sheet of First Planet Company a disproportion of the booked values of the group companies various assets occurs.

Mindark has therefore decided that resources dedicated for platform development shall be accounted for as capitalized expenditure from July 1<sup>st</sup> and onwards. For the third quarter of 2008 this amounts to 6 million SEK and is included in the operating income and the intangible assets in the balance sheet.



## **Financial statements**

For details of business income and expenses, corporate assets and liabilities we refer to the following income statement, balance sheet and cash flow analysis.

For additional information and latest news, please refer to our web page [www.mindark.com](http://www.mindark.com)

These interim financial statements have not been subject to any audit review.

Gothenburg in November 2008

Lennart Molander  
Chairman of the Board

Jan Welter Timkrans  
CEO



Income statement	<u>July - September 2008</u>	<u>July - September 2007</u>
Operative income	22 311 216 kr	16 696 242 kr
Operative expenses	-15 770 520 kr	-12 456 780 kr
Amortization & depreciation	-1 189 388 kr	-747 414 kr
Profit before financial items	5 351 308 kr	3 492 048 kr
Financial items	<u>476 336 kr</u>	<u>510 607 kr</u>
Profit before tax	5 827 644 kr	4 002 655 kr
Income tax on profit	<u>-1 631 740 kr</u>	<u>-1 120 743 kr</u>
<i>NET PROFIT</i>	<u><u>4 195 904 kr</u></u>	<u><u>2 881 912 kr</u></u>

Income statement	<u>January - September 2008</u>	<u>January - September 2007</u>
Operative income	56 818 645 kr	52 863 776 kr
Operative expenses	-44 857 251 kr	-34 738 689 kr
Amortization & depreciation	<u>-3 677 220 kr</u>	<u>-2 238 210 kr</u>
Profit before financial items	8 284 174 kr	15 886 877 kr
Financial items	<u>1 002 262 kr</u>	<u>801 423 kr</u>
Profit before tax	9 286 436 kr	16 688 300 kr
Income tax on profit	<u>-2 600 202 kr</u>	<u>-4 672 724 kr</u>
<i>NET PROFIT</i>	<u><u>6 686 234 kr</u></u>	<u><u>12 015 576 kr</u></u>

Income statement	<u>Calender year 2007</u>
Operative income	69 708 611 kr
Operative expenses	-47 234 101 kr
Amortization & depreciation	-4 158 086 kr
Items affecting comparability	<u>-1 242 600 kr</u>
Profit before financial items	17 073 824 kr
Financial items	<u>1 034 171 kr</u>
Profit before transfers to and from untaxed reserves	18 107 995 kr
Transfer to and from untaxed reserves	<u>-5 318 000 kr</u>
Profit before tax	12 789 995 kr
Income tax on profit	<u>-3 700 435 kr</u>
<i>NET PROFIT</i>	<u><u>9 089 560 kr</u></u>
<i>ADJUSTED NET PROFIT</i>	<u><u>12 918 520 kr</u></u>

Balance sheet	<u>30 september 2008</u>	<u>30 september 2007</u>
<b>ASSETS</b>		
Intangible assets	10 004 292 kr	6 351 309 kr
Fixed assets	12 811 180 kr	1 992 385 kr
Financial assets	4 218 822 kr	
Receivables	3 733 056 kr	2 307 775 kr
Prepaid expenses	6 448 898 kr	9 401 591 kr
Liquid assets	<u>37 946 172 kr</u>	<u>44 557 977 kr</u>
	<u>75 162 420 kr</u>	<u>64 611 037 kr</u>
<b>EQUITY &amp; LIABILITIES</b>		
Equity	54 713 143 kr	50 952 925 kr
Untaxed reserves	10 518 000 kr	5 200 000 kr
Shortterm liabilities	<u>9 931 277 kr</u>	<u>8 458 112 kr</u>
	<u>75 162 420 kr</u>	<u>64 611 037 kr</u>

Balance sheet		<u>31 december 2007</u>
<b>ASSETS</b>		
Intangible assets		5 977 831 kr
Fixed assets		7 703 826 kr
Financial assets		29 500 kr
Receivables		3 873 717 kr
Prepaid expenses		4 691 038 kr
Liquid assets		<u>46 054 958 kr</u>
		<u>68 330 870 kr</u>
<b>EQUITY &amp; LIABILITIES</b>		
Equity		48 026 909 kr
Untaxed reserves		10 518 000 kr
Shortterm liabilities		<u>9 785 961 kr</u>
		<u>68 330 870 kr</u>

Cash flow statement	July - September 2008	July - September 2007	
Current operations			
Profit after financial items	5 827 644 kr	4 002 655 kr	
Amortization & depreciation	1 189 388 kr	747 414 kr	
Paid income tax	-1 047 026 kr	-525 000 kr	
Changes in current receivables	-4 531 947 kr	-5 767 211 kr	
Changes in current liabilities	<u>2 460 636 kr</u>	<u>-148 290 kr</u>	
Cash flow from current operations	3 898 695 kr	-1 690 432 kr	
Investments in fixed assets	-2 410 570 kr	0 kr	
Investments in intangible assets	-6 000 000 kr	0 kr	
Investments in financial assets	-701 575 kr	0 kr	
Financing	<u>0 kr</u>	<u>0 kr</u>	
CASH FLOW FOR THE PERIOD	<u>-5 213 450 kr</u>	<u>-1 690 432 kr</u>	
Opening liquid assets	43 159 622 kr	46 248 409 kr	
Closing liquid assets	<u>37 946 172 kr</u>	<u>44 557 977 kr</u>	
CASH FLOW FOR THE PERIOD	<u>-5 213 450 kr</u>	<u>-1 690 432 kr</u>	
Cash flow statement	Januari - September 2008	Januari - September 2007	Kalenderår 2007
Current operations			
Profit after financial items	9 286 436 kr	16 688 299 kr	18 107 995 kr
Amortization & depreciation	3 677 220 kr	2 238 210 kr	4 158 086 kr
Paid income tax	-3 497 797 kr	-2 081 313 kr	-4 089 369 kr
Changes in current receivables	-2 103 375 kr	-3 936 637 kr	-789 290 kr
Changes in current liabilities	<u>145 315 kr</u>	<u>-1 269 258 kr</u>	<u>3 036 200 kr</u>
Cash flow from current operations	7 507 799 kr	11 639 301 kr	20 423 622 kr
Investments in fixed assets	-6 620 635 kr	-60 691 kr	-7 348 030 kr
Investments in intangible assets	-6 190 400 kr	0 kr	
Investments in financial assets	-2 805 550 kr	0 kr	
Financing	<u>0 kr</u>	<u>0 kr</u>	<u>0 kr</u>
CASH FLOW FOR THE PERIOD	<u>-8 108 786 kr</u>	<u>11 578 610 kr</u>	<u>13 075 592 kr</u>
Opening liquid assets	46 054 958 kr	32 979 367 kr	32 979 367 kr
Closing liquid assets	<u>37 946 172 kr</u>	<u>44 557 977 kr</u>	<u>46 054 959 kr</u>
CASH FLOW FOR THE PERIOD	<u>-8 108 786 kr</u>	<u>11 578 610 kr</u>	<u>13 075 592 kr</u>



### Key ratios - Entropia Universe

	July - Sept 2008	July - Sept 2007	January - Sept 2008	January - Sept 2007	Calendar year 2007
Newly created customer accounts	30 257	30 759	90 248	97 216	125 381
Changes compared to the previous period	-2%	-3%	-8%	-16%	-14%
Deposited funds in thousand PED	41 825	33 787	124 816	75 131	145 961
Withdrawn funds in thousand PED	13 425	6 696	35 072	17 665	32 422
Net deposited funds in thousand PED	28 400	27 091	89 744	57 466	113 539
Relative changes	5%	16%	36%	-8%	25%

### Key ratios - Mindark PE AB

	July - Sept 2008	July - Sept 2007	January - Sept 2008	January - Sept 2007	Calendar year 2007
<small>(Amounts in thousand SEK if otherwise not stated)</small>					
Net sales	22 311	16 696	56 819	52 864	69 709
Operating profit before items affecting comparability	5 351	3 492	8 284	15 587	19 351
Financial items	476	511	1 002	801	1 034
Net profit (adjusted net profit for the calendar year)	4 196	2 882	6 686	12 016	12 919
Number of shares issued after split 2008	114 635 000	114 635 000	114 635 000	114 635 000	114 635 000
Operating profit margin	24%	21%	15%	29%	28%
Net profit per share	0,037 kr	0,025 kr	0,058 kr	0,105 kr	0,113 kr
Liquid funds including short term investments			37 946	44 558	46 055
Adjusted equity			62 286	54 697	55 600
Adjusted equity per share			0,54 kr	0,48 kr	0,49 kr
Total assets			75 162	64 611	68 331
Equity ratio			83%	85%	81%
Number of employees including subsidiaries			59	45	48